

## INITIAL STATEMENT OF REASONS

- a) Specific Purpose of the Regulations and Factual Basis for Determination that Regulations Are Necessary

Handbook Section 42-207.2

Specific Purpose:

This handbook section is changed to make it consistent with the federal law change in Public Law (P.L.) 107-171 which expanded the \$3,000 resource limit to include households containing a disabled household member.

Factual Basis:

With the implementation of CalWORKs, Assembly Bill (AB) 1542 aligned the CalWORKs Program resource limits with those in the Food Stamp Program (FSP). P.L. 107-171, Section 4107(5)(g)(1) [7 U.S.C. 2014(g)(1)] expanded the \$3,000 resource limit for elderly persons to also apply to families with disabled household members.

Sections 42-215.4 through .482

Specific Purpose:

The specific purpose of these sections is to repeal references to the food stamp regulations when determining the value of vehicles and instead move and renumber the specified sections [Sections 63-501.3(c)(1) and (c)(2) and 63-501.51 through .53] from the Food Stamp Program Manual (Division 63) to the Eligibility and Assistance Standards Manual (Division 42). Amendments are made to terminology not common to the CalWORKs Program, to simplify the regulations, and for clarity and consistency. Current Section 63-501.521(g) is repealed and not renumbered because it would be duplicative since existing CalWORKs regulations exclude resources used for self-employment.

Factual Basis:

Assembly Bill (AB) 231 (Chapter 743, Statutes of 2003) adopts Welfare and Institutions Code Section 18901.9 which allows the California Department of Social Services to align its vehicle resource rules governing the Food Stamp Program with those of an alternative program. Under the authority of this statute, P.L. 106-387, Section 847(a) and proposed 7 CFR 273.8(f)(4) as published in Federal Register Volume 68, No. 168, Page 51933 on August 29, 2003, the food stamp regulations will be aligned with those of the CalWORKs Child Care Program, and, consequently, vehicles are exempt from being counted as resources when determining food stamp eligibility. Existing law requires CalWORKs to use the Food Stamp Program vehicle evaluation rules when determining eligibility for the

CalWORKs Program. AB 231 eliminates this requirement and amends Welfare and Institutions Code Section 11155 to establish treatment of motor vehicles when determining CalWORKs eligibility. The method specified in AB 231 is consistent with existing Food Stamp Program regulations.

Sections 63-501.12, 63-501.3(c), and 63-501.5

Specific Purpose:

These sections are amended to delete reference to vehicles counted as resources to the household when determining applicant food stamp eligibility.

Factual Basis:

AB 231 adopts Welfare and Institutions Code Section 18901.9 which allows the California Department of Social Services to align its vehicle resource rules governing the Food Stamp Program with those of an alternative program. Under the authority of this statute, the food stamp regulations will be aligned with those of the CalWORKs Child Care Program, and, consequently, vehicles are exempt from being counted as resources when determining food stamp eligibility as allowed in Public Law 106-387, Section 847(a) and proposed 7 CFR 273.8(f)(4) as published in Federal Register Volume 68, No. 168, Page 51933 on August 29, 2003.

Handbook Section 63-1101.11

Specific Purpose:

This handbook section is modified to expand the \$3,000 resource limit for elderly persons to also apply to families with disabled household members.

Factual Basis:

P.L. 107-171, Section 4107(5)(g)(1) [7 U.S.C. 2014(g)(1)] expanded the \$3,000 resource limit for elderly persons to also apply to families with disabled household members.

b) Identification of Documents Upon Which Department Is Relying

AB 231, Chapter 743, Statutes of 2003

Public Law (P.L.) 106-387

P.L. 107-171

c) Local Mandate Statement

These regulations do impose a mandate upon local agencies, but not on school districts. There are "state-mandated local costs" in these regulations, which require federal and state reimbursement due to the increased administrative costs under Section 17500 et seq. of the Government Code. These regulations are mandated by the passage of AB 231, and will make more applicants eligible for the Food Stamp Program. There will be increased costs for the remaining CFAP population; however, the majority of the increased costs of benefits are paid entirely by the federal government.

d) Statement of Alternatives Considered

CDSS must determine that no reasonable alternative considered or that has otherwise been identified and brought to the attention of CDSS would be more effective in carrying out the purpose for which the regulations are proposed or would be as effective and less burdensome to affected private persons than the proposed action.

e) Statement of Significant Adverse Economic Impact On Business

CDSS has made an initial determination that the proposed action will not have a significant, statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states.